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# State of Utah

## DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

### Division of Oil, Gas and Mining

JOHN R. BAZA  
Division Director

Outgoing  
C0150032  
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January 21, 2009

Dave Shaver, Manager  
Genwal Resources, Inc.  
P.O. Box 910  
East Carbon, Utah 84520-0910

Subject: Division Order DO08A, Task ID #3092(Previous Task ID #2957) Mining and Reclamation Plan Revisions for the Crandall Canyon Mine Memorial and Portal Water Discharge, Genwal Resources, Inc., Crandall Canyon Mine, C/015/0032, Outgoing File

Dear Mr. Shaver:

On December 10, 2008, the Division of Oil, Gas and Mining (the Division) received your revised Mining and Reclamation Plan for the Crandall Canyon Mine. The revised reclamation plan was denied a technical review under the requisite 15-day Initial Completeness Review (ICR) due to inadequate design information. As you are aware, the revised reclamation plan was submitted in response to Division Order (DO08A-2957) issued on April 22, 2008. In order to facilitate discussion, a brief synopsis/timeline of this issue is presented below for your review:

- *January 14, 2008:* Division Inspector Karl Houskeeper issued two Citations for Non-Compliance of the Utah Coal Regulatory Program (Citation #10016 and #10017). The citations stem from mine water gravity flow discharging from the Crandall Canyon Mine's north portals and being conveyed through the surface facilities disturbed drainage network.
- *April 22, 2008:* The Division issues Division Order (DO08A) which called for the revision of the current Mining and Reclamation Plan (MRP) to include a plan for the discharge of post-reclamation mine water. The Division Order required a complete and adequate application outlining the MRP revisions within 60 days of receipt of the order.
- *June 18, 2008:* Genwal Resources, Inc., (the Permittee) requests a three-month extension to submit the amended reclamation plan. The additional time was requested in order to address two changes to the reclamation plan (mine water discharge and the Crandall Canyon Memorial).



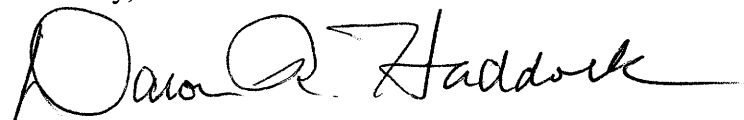
- *July 2, 2008:* As requested by the Permittee, the Division grants an extension of 90 days to address the memorial and the mine water discharge.
- *September 24, 2008:* The Permittee requests an additional extension of the Crandall reclamation plan revisions. The extension is requested in light of permitting requirements at the West Ridge Mine.
- *October 22, 2008:* The Division grants an extension for the Permittee to submit the revised reclamation plan. A due date of December 1<sup>st</sup>, 2008 is established.
- *December 10, 2008:* The Permittee submits the proposed revisions to the Crandall Canyon Mine's reclamation plan.
- *December 18, 2008:* During the requisite 15-day Initial Completeness Review (ICR), the Division denied a technical review of the revised reclamation plan due to inadequate design information.

The Division understands the pressing and immediate concerns that have arisen in the last eight and a half months since the Division Order was executed. In light of that, two requests for time extensions have been approved. However, the need to resolve the issues identified within the Division Order are still outstanding and need to be addressed in a timely and adequate fashion and can no longer be postponed.

As such, per Division Order DO08A-2957, please submit the requisite permit changes within 60 days of the date of this letter (no later than March 23, 2009). Failure to provide adequate response to the Division Order will result in enforcement action.

The Division staff is willing to meet with you and discuss how best to respond to the Division Order. If you have any questions, please call me at (801) 538-5325 or Steve Christensen at (801) 538-5350.

Sincerely,

A handwritten signature in black ink, appearing to read "Daron R. Haddock", with a stylized flourish at the end.

Daron R. Haddock  
Coal Program Manager